




3 1761 10374494 2

CAI XC14 R11

1952



Digitized by the Internet Archive
in 2023 with funding from
University of Toronto

<https://archive.org/details/31761103744942>

Canada Railways, Canals and
"Telegraph Lines," Standing Cttee on, 1952

HOUSE OF COMMONS

Sixth Session—Twenty-first Parliament, 1952

Government
Publications

STANDING COMMITTEE

ON

RAILWAYS, CANALS AND
TELEGRAPH LINES

Chairman—H. B. McCULLOCH, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

BILL 192

An Act respecting the construction of a line of railway by Canadian National Railway Company from Terrace to Kitimat, in the Province of British Columbia.

BILL 193

An Act respecting The New Westminster Harbour Commissioners.

WEDNESDAY, MAY 14, 1952

THURSDAY, MAY 15, 1952

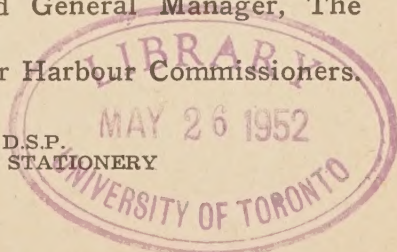
WITNESSES:

Mr. S. W. Fairweather, Vice President, Research and Development, and
Mr. A. B. Rosevear, Assistant General Solicitor, Canadian National
Railway Company.

Mr. A. W. Whitaker, Jr., Vice President and General Manager, The
Aluminum Company of Canada Limited.

Mr. K. K. Reid, Chairman, The New Westminster Harbour Commissioners.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1952



ORDERS OF REFERENCE

WEDNESDAY, May 7, 1952.

Ordered,—That the following Bill be referred to the said Committee:—

Bill No. 192, An Act respecting the construction of a line of railway by Canadian National Railway Company from Terrace to Kitimat, in the Province of British Columbia.

WEDNESDAY, May 14, 1952.

Ordered,—That the following Bill be referred to the said Committee:—

Bill No. 193, An Act respecting The New Westminster Harbour Commissioners.

Attest.

LEON J. RAYMOND,
Clerk of the House.

REPORTS TO THE HOUSE

TUESDAY, April 29, 1952.

The Standing Committee on Railways, Canals and Telegraph Lines begs leave to present the following as its

THIRD REPORT

Your Committee has considered Bill No. 62 (Letter O of the Senate), intituled: "An Act to incorporate Boundary Pipeline Corporation", and has agreed to report it with amendment.

Clause 3 of the said Bill No. 62 provides for capital stock consisting of five million shares without nominal or par value. Your Committee recommends that for taxing purposes under Standing Order 93(3) each share be deemed to have a value of eighty cents.

A copy of the evidence taken is appended hereto.

All of which is respectfully submitted.

H. B. McCULLOCH,
Chairman.

WEDNESDAY, May 14, 1952.

The Standing Committee on Railways, Canals and Telegraph Lines begs leave to present the following as its

FOURTH REPORT

Your Committee has considered Bill No. 192, An Act respecting the construction of a line of railway by Canadian National Railway Company from Terrace to Kitimat, in the Province of British Columbia; and has agreed to report the said Bill without amendment.

A copy of the evidence taken is appended hereto.

All of which is respectfully submitted.

H. B. McCULLOCH,
Chairman.

THURSDAY, May 15, 1952.

The Standing Committee on Railways, Canals and Telegraph Lines begs leave to present the following as its

FIFTH REPORT

Your Committee has considered Bill No. 193, An Act respecting The New Westminster Harbour Commissioners, and has agreed to report the said Bill without amendment.

A copy of the evidence taken is appended hereto.

All of which is respectfully submitted.

H. B. McCULLOCH,
Chairman.

MINUTES OF PROCEEDINGS

WEDNESDAY, May 14, 1952.

The Standing Committee on Railways, Canals and Telegraph Lines met at 11 o'clock a.m., the Chairman, Mr. H. B. McCulloch, presiding.

Members present: Messrs. Applewhaite, Beyerstein, Bonnier, Carroll, Carter, Chevrier, Darroch, Fulton, Garland, Gourd (*Chapleau*), Green, Harkness, Harrison, Healy, Herridge, Macdonald (*Edmonton East*), MacNaught, McCulloch, McIvor, Mott, Nickle, Nixon, Pouliot, Richard (*St. Maurice-Lafleche*), Robinson, Rooney, Whiteside, Whitman.

In attendance: Mr. S. W. Fairweather, Vice-President, Research and Development, and Mr. A. B. Rosevear, Assistant General Solicitor, Canadian National Railways; Mr. A. W. Whitaker, Jr., Vice-President and General Manager, The Aluminum Company of Canada Limited.

The Committee proceeded to consideration of Bill No. 192, An Act respecting the construction of a line of railway by Canadian National Railway Company from Terrace to Kitimat, in the Province of British Columbia.

Mr. Fairweather was called, heard and questioned.

Mr. Rosevear was called and questioned.

Mr. Whitaker was called and questioned.

Clauses 1 to 8, inclusive, were adopted.

Mr. Green moved that Clause 9 be deleted.

After discussion, and the question having been put on the said motion, it was negatived.

Clause 9, the schedule, the preamble and the title were adopted.

The Bill was adopted and the Chairman ordered to report it to the House.

The witnesses retired.

At 1.20 o'clock p.m., the Committee adjourned to the call of the Chair.

THURSDAY, May 15, 1952.

The Standing Committee on Railways, Canals and Telegraph Lines met at 11 o'clock a.m., the Chairman, Mr. H. B. McCulloch, presiding.

Members present: Messrs. Bonnier, Carter, Cauchon, Chevrier, Conacher, Darroch, Garland, Gourd (*Chapleau*), Green, Healy, Herridge, Macdonald (*Edmonton East*), McCulloch, McIvor, Mott, Murphy, Murray (*Cariboo*), Nickle, Riley, Whiteside.

In attendance: Mr. K. K. Reid, Chairman, The New Westminster Harbour Commissioners; Alderman S. Gifford of New Westminster, B.C.

The Committee proceeded to consideration of Bill No. 193, An Act respecting The New Westminster Harbour Commissioners.

Mr. Reid was called, heard and questioned.

Clauses 1 to 5, inclusive, the schedule, the preamble and the title were adopted.

The Bill was adopted and the Chairman ordered to report it to the House.

The witness retired.

At 11.35 o'clock a.m., the Committee adjourned to the call of the Chair.

A. L. BURGESS,
Clerk of the Committee

EVIDENCE

MAY 14, 1952.

11:00 a.m.

The CHAIRMAN: Bill 192, an Act respecting the construction of a line of railway by Canadian National Railway Company from Terrace to Kitimat, in the province of British Columbia.

Mr. Fairweather is representing the Canadian National Railways and I would ask him to answer any questions the members may have.

Mr. S. W. Fairweather, Vice-President of Research and Development, Canadian National Railways, called:

The WITNESS: Yes, Mr. Chairman. Did you wish me to give a brief explanation of this matter?

By the Chairman:

Q. Yes.—A. The Canadian National Railways was approached by the Aluminum Company of Canada to see under what terms a branch railway might be built from the main line of the Canadian National Railways which extends to Prince Rupert to the proposed aluminum plant at Kitimat. Rather extensive negotiations were conducted with the Aluminum Company, finally leading to a satisfactory arrangement, and the proposed line was recommended to the board of directors of the Canadian National Railways, approved by them and submitted to the government for approval which is the reason for this bill.

The line in question will start from Terrace, a point on the main line of the Canadian National to Prince Rupert, and located about 100 miles east of Prince Rupert. It will travel through a valley in the coast range a distance of 43 miles to the townsite of Kitimat.

In its course it will be necessary to construct a bridge over the Skeena river at Terrace and the line will then proceed by the Lakelse river along the shores of Lakelse lake across the height of land at an elevation of about 700 feet and thence descend the slope to Kitimat.

On this second map here, we have shown the relationship of the line with a bit more geography taken in. Here you see Terrace and this is the Skeena river running down to Prince Rupert. Here is Kitimat located on the Douglas channel or on the Kitimat arm of Douglas channel. The most interesting thing is the gigantic development which has been undertaken by the Aluminum Company where they propose to reverse the flow of the waters which normally flow into the Fraser river and by putting a tunnel through the coast range allow those waters to descend to the Pacific ocean at Kemano.

I think the total horsepower available is somewhere in the neighbourhood of—

Mr. WHITAKER (Aluminum Company): 1,600,000 firm with about 2,000,000 maximum during any time of good water flow.

The WITNESS: And the initial installation upon which our line has been justified is about, roughly, a quarter of the ultimate. It is on a scale, however, which in itself is very substantial because that means somewhere around 400,000

horsepower or better and will involve the construction at Kitimat of a town with a population of about 8,000 people, so that even in its initial stage it is a matter of very considerable importance industrially.

We have made a careful examination of the traffic potentialities of this line both as arising from the traffic of the Aluminum Company and also from other traffic which may be engendered by the development of Kitimat as a port and by the construction of the railway line from Terrace to Kitimat; and we have come to the conclusion that there is a reasonable chance of this line meeting its operating expenses and interest on its capital in the first five years and that in succeeding years it should show a fair return. That is a little different from the usual history of branch line extensions. Usually we have to be content to take a bit of a loss in the first five years while industry is growing up. In this case there is a reasonable expectation that the line will at least meet its expenses and pay its way.

We did, however, make provision that should the line not pay its way, that is, if there is not enough traffic up to a certain minimum amount, that the Aluminum Company by agreement with the Canadian National Railways would guarantee sufficient traffic and I think, sir, that that is about all. Is that enough to give a broad picture of the line? If there are any questions arising, of course, I am here to answer.

By Mr. Pouliot:

Q. Mr. Fairweather, you are welcome. Will you please tell me what is the mileage of the railways in British Columbia compared to the province of Quebec by thousand people?—A. Well, I am sorry, sir, I cannot give that offhand; I would be pleased to figure it out.

Q. Well, I will tell you, it is three to one—three people out of one thousand in British Columbia have a mile of railway—I mean both railways, compared to one in the province of Quebec. It surprises you?—A. Well, I know this, that the Canadian National Railways—and I can only speak for the Canadian National Railways—we in the Canadian National keep very closely in touch with industry and also with those who have charge of agricultural development, and we try to see to it that the Canadian National Railways is not backward in furnishing railway transportation where it is needed.

Q. I agree with you.—A. Now, it is significant that the first branch line that has been built in Canada since the war was built in the province of Quebec. This was a branch line 43 miles in length from Barraute out to a place called Beattyville and it was built partly at the request of those who desired to develop the agricultural potential of the clay belt of the Abitibi region and partly to give access to pulpwood resources in that country and also having in prospect future mining development.

Q. What you say is very good and ably said, Mr. Fairweather, but it is not an answer to my question. I mean that the proportion of railways per 1,000 people is three times more already in British Columbia than it is in Quebec and if you have this 40 miles in the province of Quebec it is only a matter of justice and if you give 40 miles more in British Columbia it means they have that much more over the province of Quebec.

Mr. GREEN: We have no St. Lawrence river.

Mr. POULIOT: I will tell my hon. friend that the only objection we had about the Temiscouata Railway on the committee was from him and from the member for Kamloops, Mr. Fulton. All the other members agreed to it and they were the only two members who objected to it.

I am now asking questions about the province of British Columbia railway and I am not to be replied to by any British Columbia members. We ask for something that is just and fair for the province of Quebec and they are always

harping on what is happening in the province of Quebec and the member for Kamloops even criticized what had happened in Quebec, but what about the millions that had been spent for a dam in the Fraser river. We never have a chance in the province of Quebec and when we get something it is a bonanza. When we get something that is fair to us they are always harping about it and they are most unpleasant to all members who are trying to get something for us in the province of Quebec. It is the old Tory game.

Mr. APPLEWHAITE: I would like to ask one or two questions and I would like to assure the member for Temiscouata that I am not trying to be an obstructionist.

Mr. POULIOT: I do not complain—I have dotted the I's and crossed the T's.

By Mr. Applewhaite:

Q. I wonder if for the matter of the record, Mr. Fairweather, you would give us your initials and position in the Canadian National Railways?—A. My name is S. W. Fairweather and I am vice-president of research and development, Canadian National Railways.

Mr. POULIOT: And a very fine gentleman.

By Mr. Applewhaite:

Q. Would you be willing to tell us the approximate date in which you propose this line to be in operation, assuming that the bill goes through right away?—A. On that assumption, sir, our present programming would be that this railway might be constructed by the end of 1954.

Q. Does the Canadian National Railways contemplate the construction of certain terminal facilities at Kitimat and, if so, in general terms—not the actual specifications—can you tell us what you have in view there?—A. Well, sir, the Canadian National Railways will certainly have terminal facilities in Kitimat. They will initially be of a rather limited nature because the job itself is initially rather a simple one. However, we have in collaboration with the Aluminum Company given consideration to the broader problem of what might be expected when you build a railway to a new port on the Pacific coast.

The general situation is that the Aluminum Company have assured us that terminal facilities will be provided which will allow the Canadian National to have access to any industrial development or port development in Kitimat on terms, of course, to be negotiated.

Q. And the construction of this line at Kitimat would involve the construction of station, freight shed, and some yards, I suppose?—A. Yes, sir.

Q. Will it involve any additional construction or installations at Terrace?—A. There will of course be a connection with the main line at Terrace, but apart from let us say a few limited facilities to take care of a diesel locomotive and to store cars we do not anticipate any extensive terminal facilities at Kitimat being necessary.

Q. Such things as will be necessary in the nature of stations, additional yardage and so forth are included in the \$10 million estimate are they?—A. Yes, sir.

Q. They will all be financed under the financial provisions of this bill?—A. Yes, sir.

Q. I have one other question I wanted to ask in connection with financing but if this is not the time or the witness the chairman will correct me.

I wonder whether somebody would be kind enough to look at sections 4 and 5 of the bill with particular reference at the top of page 2 to the words "exclusive of any securities issued to secure loans made under section 5".

A layman casually or perhaps carelessly reading those sections would come to the conclusion, to some extent at least, that the financial provisions of sections 4 and 5 are in addition to each other. I wonder if this witness can tell us in this bill what is the total expenditure that the bill itself provides for the financing?—A. That would come from Mr. Rosevear.

Mr. APPLEWHAITE: Do you want to get it from him now, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. APPLEWHAITE: If that is agreeable, I am through.

Mr. ROSEVEAR: So the committee will have my name, and initials, I am A. B. Rosevear, assistant general solicitor of the Canadian National Railways. Perhaps I could explain section 4 by giving this illustration. The bill enables the company to finance in two ways. Under section 5, in order to enable work of construction and completion to proceed immediately, the government is empowered to lend the company money.

If, for instance, the company borrowed \$10 million from the government the railway would issue certain securities to the government in the form of notes or in some other form as might be required, and those securities are not to be counted as being securities along with those that are mentioned in section 4; because, otherwise, you would have this situation. Supposing we borrowed \$10 million from the government then we would have exhausted our power to issue \$10 million to the public. The purpose of issuing \$10 million to the public is to pay back the government, and the total amount of the securities outstanding eventually will be \$10 million. That is all we are being authorized to issue.

So, in section 4 we have to exclude the securities issued to the government because they are to be repaid out of any public issue of bonds.

Have I made it clear, Mr. Chairman?

The CHAIRMAN: Is that clear, Mr. Applewhaite?

Mr. APPLEWHAITE: Yes.

Mr. HERRIDGE: May I ask one question of the witness, following the questions put by Mr. Applewhaite.

Have the Aluminum Company of Canada indicated their intention to purchase a large block of those securities?

Mr. ROSEVEAR: You mean Canadian National securities? Oh, no. If and when the securities are issued by the Canadian National Railways to the public they will be issued in the usual way—by a public bond issue; and any person is free of course to subscribe to those securities which are almost as good, and in fact we think they are as good, as Government of Canada bonds.

Mr. POULIOT: Mr. Rosevear, will you please tell us what representations have been made by the Aluminum Company of Canada to convince the Canadian National Railways that the new branch was a good thing.

The WITNESS: I think that comes within my field.

I may say we conducted quite extensive negotiations with the Aluminum Company on that very point, and they indicated to us the traffic which they expected to ship over the line. We took a look at the estimate and we said: If this in fact does result, why it looks pretty good. It looks reasonable—but what assurance have we that it will come out this way?

So, we asked them to guarantee the volume of traffic at a level sufficient to allow the Canadian National to pay the cost of operation of the line along with interest upon cost.

Mr. ROBINSON: What are the terms of the guarantee?

The WITNESS: The terms of the guarantee are briefly this: The Aluminum Company guarantees a total volume of traffic of \$10 million during the first ten years.

Mr. McIVOR: Good boy.

The WITNESS: There is a provision that if they fall short in traffic they will make it up in money.

Mr. ROBINSON: In what way?

Mr. POULIOT: What can you say about the traffic?

Mr. ROSEVEAR: Do you wish to know the nature of the traffic?

Mr. POULIOT: Yes.

The WITNESS: I can give you that—here it is. This is what they estimate is likely to occur.

Petroleum coke, inbound traffic, 52,000 tons; coal tar pitch 15,000 tons; calcine anthracite coal, 2,400 tons; pot lining tar, 235 tons; aluminum fluoride and refined fluorspar, 3,100 tons; soda ash, 800 tons; miscellaneous traffic, 10,000 tons, a total of 83,585 tons.

Outbound tons are 30,000 tons of aluminum ingots.

By Mr. Robinson:

Q. If the railway is completed in 1954 and the traffic should amount to 8 million tons in 1957 what would be the financial penalty to the Aluminum Company?—A. The agreement is a flexible one and it amounts to this: If they are short a dollar in traffic they have to pay us 33 cents in cash. So, in the event you speak of—and if that was all that was involved—they would have to pay \$666,666.66.

Q. What other considerations are involved?—A. No others, except it is provided in the agreement, in an element of fairness, that if in some succeeding period within a limited time if they went over their guarantee the money would be refunded to them.

By Hon. Mr. Chevrier:

Q. What is the difference between this agreement and the one in the case of Barraute-Kiask Falls?—A. There is very little, really. The same principle is involved.

Q. How is that working out?—A. It is working out wonderfully well. In that case there is no question of calling upon the industry to implement its guarantee. They are away ahead of their guaranteed traffic.

By Mr. Robinson:

Q. Who has constructed the line from the north shore of the St. Lawrence to the Quebec Labrador development?—A. That was the iron ore company itself.

Q. May I ask a further question? What considerations would lead the Canadian National Railways to go into this project and not go into the project in Quebec?—A. I think the simple answer to that is that we were never asked to go into the Quebec project.

Q. This project then was at the request of the Aluminum Company?—A. That is what I said.

By Mr. McIvor:

Q. Is there any other railroad serving this aluminum company or close to it?—A. No, sir. There is no other railway serving the Aluminum Company at Kitimat.

Q. In what way would the Aluminum Company dispose of their products unless it was by railroad?—A. They have the availability of water transport, sir.

Kitimat has been located at the head of Douglas Channel on Kitimat Arm. That is a deep water ocean port so that they could bring material into their plant by water and they could also ship by water—but the amount they said they would give us is as I have indicated.

Mr. MOTT: Mr. Fairweather, you are not taking into consideration any other projects that may be constructed in the area?

The WITNESS: Oh, yes sir. When we examined into this matter we looked at it primarily from the point of view of the line to serve the Kitimat development of the Aluminum Company but we could not overlook the fact that this line also had broad development possibilities. Now, those may be lightly touched upon. In this valley between Terrace and Kitimat there is one of the largest stands of mature timber on the west coast, and undoubtedly with the railway in there connecting at one end with the main line of the Canadian National and at the other end the sea it will make much easier the development of all this timber in this valley. We looked into that. There is a distinct possibility that out of it a pulp mill will be established at Kitimat. There is a certainty that there will be lumbering activities in the area, and we take that into consideration in the period following the first five years. So that we expect to get a substantial implementation of traffic other than aluminum after the first five years. In addition to the resources of the forest, you also have the other interesting possibility in the development of our west coast fisheries. Kitimat being a port on sheltered water will aid Canada in her ability to land halibut from this area in here (indicating on the map). It is going to bring closer, generally speaking, the halibut grounds of British Columbia in competition with Seattle. At the present time we have Prince Rupert, and with respect to Prince Rupert there is I believe, at the present time, approximately 50 per cent of the halibut landings which are handled at that port and about 40 to 50 per cent through Seattle. Now, with another port located here at Kitimat it is going to mean that the halibut fishermen can fish more effectively in certain areas, particularly in relationship to the southern part of the grounds than they can out of Prince Rupert and the result is that it would—what I am suggesting is not that we would divert the fishing activity from Prince Rupert but that Kitimat will become more actively competitive with Seattle and greater landings of fish will be made in the Canadian ports. We looked into that very carefully. And then one must also not overlook a rather interesting phase which will arise out of this development. There is in the Skeena Valley and the Kitimat-Terrace Valley and in its extension here to the north a very substantial area of land that is suitable for agriculture development. That is not being effectively used at the present time because it hasn't got any readily available market and the things which they can grow most effectively are not things which can be shipped great distances. The development of Kitimat as an industrial town with a population initially of 8,000 and an ultimate population which may be as high as 50,000 will result in a contribution to the agriculture development in and around the Terrace area and extending down the Kitimat Valley. It is going to do for western British Columbia pretty much what the mining industry has done for the Abitibi region of Quebec where we had a very similar problem; we had great agriculture possibilities which could not be exploited until we got industry into the country and when industry had settled in the shape of mining enterprises it just rejuvenated the agriculture possibilities of the Abitibi. Something like that will take place in this area.

Then there is also something to be considered, something that I find rather attractive in the long range point of view. We notice that the outlets to the Pacific ocean are limited, we see that from the map; we can only get

through the coast range at two points; one is through the Fraser Valley into Vancouver, the greater Vancouver area to the ports of New Westminster, Vancouver and Victoria; and the other is through the Skeena Valley. There is no other direct rail route to the Pacific coast. Now, as Canada increases in her industrial importance, undoubtedly there is going to be greater use made of these western gate-ways. But one that brings up the old bug-bear the return cargoes. Now, it so happens that the development of the Aluminum Company furnishes in substantial degree the necessary balance. The Aluminum Co. will use large quantities of alumina which will have to be brought in in very large quantities by water. I refer to alumina from which they produce aluminum, but they only produce out of one ton of alumina I think it is only half a ton of aluminum; and the result of that is going to be that there will be a lot of empty bottoms available at Kitimat, and they are going to want a return cargo, and that will develop an export business from points in the prairies perhaps as far east—I don't know how far east, probably all the way through to Winnipeg—The products of Canada seeking world markets will flow out through Prince Rupert and Kitimat. There is one other national resource that I have not mentioned. I only mention it in passing because it is only speculation; but that is the mining industry. We have in Canada, in the coast range, back of us here, one of the greatest potential mining areas in the world. It has already produced very large mines and will produce others. Now, it is of intangible value. I could not put a dollar and cents value on it. But it is significant that the coast range goes right through this area which the Kitimat line travels.

By Mr. Pouliot:

Q. If you will permit me, there is no post office here at Kitimat?—A. Yes, there is.

Q. Is there? Because I have not found it in the Canadian Almanac for 1952.—A. It is there now.

Q. Now, Mr. Fairweather, there is a thing that interests me very much. I would like you to be kind enough to explain what the five year plan of the railway for construction is, and its bearing on the expense of the line. Mr. Gordon told us about a five year plan. I have heard Stalin speak of a five year plan, but this is the first time I have heard it about railways. I would be very thankful to you if you will explain to us how a railway would be built within a year and a half while other railways are built or re-built in only five years. Do you know something about that five year plan?—A. I have heard a great deal about various plans. I could not give you any information in answer to your question.

Q. It is a fair question, and I have been told, and it was repeated to me, that for the Temiscouata railway construction and the re-construction it would be on a five year basis, according to a five year plan; and there was a five year plan for another subvention in here another subvention. Now, here, where there is a railway that is to be built in an area which is regarded as important it is being built in a year and a half, disregarding the other three years and a half. We don't question that. You cannot tell me anything about that, Mr. Fairweather?—A. No sir.

Q. Thank you. Well now, what I want to ask you is about the financing of a railway which will require only a year and a half to build, and in connection with that you have indicated that there is an agreement with the Aluminum Company with regard to a certain definite engagement?—A. We have been in touch with all sources of information.

Q. I know.—A. And we have estimated that our total gross revenue in the first five year period will run \$1,800,000 per year.

Q. I know; but that is figuring, and you had some correspondence with the Aluminum Company in which they agreed to do certain things. Is that not true?—A. Oh yes.

Q. Now, did you have similar arrangements with other firms or companies of the district with regard to timber, fisheries, and so on?—A. Our contacts with fisheries were made through the Federal Fisheries Department. We sat down with them and consulted as to what might be expected. We did not take any credit at all for the first five years for fisheries; there is nothing included for the first five years for fishing. On the question of lumber, we got our information from the provincial authorities of British Columbia and we did endeavour to find out whether anybody had an active plan in hand which would give traffic in the first five years, definite traffic, but we could not find any. Therefore, in the first five years we did not give any credit for the products of lumber; but in the succeeding years, speaking as development officer, and having wide experience in these matters, I can assure the committee that you cannot build that line, tapping these natural resources without those resources being developed after a period of time.

Q. If you will permit me, Mr. Fairweather, in other words, you did some planning with the Federal Department of Fisheries with regard to fisheries, and with the provincial department of forests of British Columbia with regard to forests; but that was not an answer to my question. What I asked you was if you had made arrangements, or if the Canadian National Railways had made arrangements with firms engaged in the forest products business, or in the fisheries business with regard to the future as the thing was done with the Aluminum Company?—A. The answer to that, sir, is no.

Q. Thank you. It means then that all you have said is that with regard to timber and fisheries, it is just expectations based on planning in one case with the federal department and in the other case with the provincial department?—A. That is correct, and having regard to my knowledge of the resources.

Q. Thank you; and with regard to competition between Prince Rupert and Seattle, would there be some fishing business? Will some fishing business—you see—that goes now to Prince Rupert be diverted to Kitimat?—A. We do not think so. We think, if anything, if any question of diversion is involved, it will be a diversion of traffic which now goes through Seattle.

Q. What is your reason for thinking that?—A. The reason, sir, is this: That there is now competition between Prince Rupert and Seattle for the landing of halibut. Prince Rupert does not get all the landings by any manner or means. I think they get a little better than 50 per cent of them. Now, if we can establish a port somewhat nearer to Seattle than Prince Rupert, it is only natural, in a marginal business like fishing, that some smart operator will say: "If I can land my fish at Kitimat, I will be better off than if I take them to Seattle, because I can spend more time on the fishing grounds."

Q. Do you know the distance between Kitimat and Prince Rupert is much shorter than between Kitimat and Seattle?—A. I do not think that is germane, sir. You see, a boat fishing out of Kitimat would travel down the Douglas channel to the fishing grounds at the south end of the Queen Charlotte Islands; while a boat travelling out of Prince Rupert would travel to an area in the Hecate Straits, and Dixon Entrance and will naturally flow to Prince Rupert. There is no question of an interchange of fishing business between Kitimat and Prince Rupert.

Q. Yes; but the fishing banks are south of Kitimat and Prince Rupert.—A. No. Some of them are north.

Q. But you indicated on the map that the sounding part of the strait was there.—A. I said, sir, that Kitimat, according to our analysis, has certain advantages over Prince Rupert, let us say, for traffic that Prince Rupert is not now getting.

Q. What is the distance between Kitimat and Seattle by water?—A. It would be around 500 miles, or in the order of 500 miles.

Q. And what is the distance between Kitimat and Prince Rupert?—A. I would imagine it is in the order of 130 miles, or something like that.

Q. Do you not realize that two ports that are within 120 are both easier of access than one which is 500 miles?—A. The fact remains that Seattle does take about half the landings. All I am concerned with are the facts.

Q. I know.—A. And the fact remains that regardless of anything, half of the landings go to Seattle.

Q. But you must realize quite well that if you are concerned only with facts, we cannot discuss them before the railway is built and the port is opened to navigation— and before that all you say is expectations and hopes. Is that not true?—A. No, I do not think it is true, no. I have been in the development business for a good many years and I have behind me a record where my judgments have been tested by experience, and I think—I really think, sir—that on that basis, when I give my opinion as to what is likely to happen, I give it after serious and considered study.

Q. I will agree, Mr. Fairweather, that it is an honest opinion of a man of experience and I cannot give you a better testimony than that.—A. That is right.

Q. And I am not to discuss your qualifications, and it is out of the question; you are not in this at all, you are not in this picture. What is in the picture is a public railway between Terrace and Kitimat, and I want to know if it is planning or facts. And when you mention facts it is facts that are only on paper and are not there on the land or near the sea. Now, I have another interesting question to ask: what will be the weight of the rail that you will use on the railway?—A. I think we are planning on using second-hand 85-pound steel.

Q. Why don't you take the 56-pound rail that is on the Temiscouata Railway, rail that is antiquated and dates back to 60 years ago, to start that new line? It is good for us, but for British Columbia you have heavier rails, always better treatment for other provinces by the Canadian National, and I excuse the minister from that, it is not his fault, but whenever we discuss with the officers of the Canadian National Railways, everything that is done outside of the province of Quebec is good and fine and we have to be satisfied with the leftovers of the company and we cannot have anything, and I will repeat before the minister what I have said in the first place, it is that the Canadian National Railways are snubbing the province of Quebec, they are giving us the cold shoulder and they treat us like country cousins.

Hon. Mr. CHEVRIER: I do not agree with the statement made by the hon. member at all. That is not a correct statement of fact.

Mr. POULIOT: I thank the minister. I have the highest regard for him. I know he has to say that, and besides that I will say it is my deep conviction that we cannot have satisfaction from the management of the railway with regard to questions pertaining to the province of Quebec.

By Hon. Mr. Chevrier:

Q. Mr. Fairweather, may I ask a few questions. Did you deal earlier with the power development and the other aspects of this project?—A. Oh, yes, we did.

Q. You dealt with the 1,600,000 horsepower that is to be developed?—A. Yes.

Q. Is that all for the Aluminum Company?—A. Part of the arrangement we made with the Aluminum Company was that they would always maintain available at Kitimat power sufficient to support industrial development that might locate there. They undertook to keep a block of power, a very substantial block of power available for general industrial development.

Q. And how much of that 1,600,000 will they require?—A. I think, sir, that the Aluminum Co. representative could speak better to that, but I know this, that we insisted that they reserve for general industry a substantial block of power, and they agreed to it.

Q. Did you deal with the agreement between the Aluminum Company and the Canadian National Railways?—A. You mean in the committee?

Q. Yes.—A. Oh, yes. Are there any questions you would like to ask?

Q. I just wanted to know how the agreement operates if there is not \$1 million of revenue traffic accruing each year.—A. The arrangement, sir, is this—

Mr. ROBINSON: Was not the figure \$10 million?

Hon. Mr. CHEVRIER: It is \$1 million annually; it is \$10 million for the 10-year period.

The WITNESS: The arrangement is this, that each year we will strike a traffic balance. If that balance is short of the required amount—that would be \$1 million for the first year, \$2 million to the end of the second year and so on—the Aluminum Company undertakes to pay to the Canadian National Railways one-third of the shortage in cash, with the proviso that if in subsequent years they handle traffic in excess of the guarantee so that they would get a credit, the Canadian National Railways would refund to them such portion of the guarantee payment as they would have earned by such excess traffic; but this arrangement does not go on forever, it only goes on for a period—the guarantee period is for 10 years, and \$10 million. They have a chance to recoup any payments but only inside another ten years.

Mr. ROONEY: Supposing there is other revenue accrues besides the traffic revenue from the Aluminum Company. Is the Aluminum Company to be credited with that?

The WITNESS: Yes, sir, and it is only fair that they should.

By Mr. Robinson:

Q. You mentioned the power arrangement. Is that limited in time, also?—A. No, sir.

Q. What are the exact terms of the power arrangement, that is, for other industries?—A. The minimum is that they will keep 100,000 horsepower available to general industry.

Q. Out of 1,600,000 horsepower?—A. That is the minimum. But I may say that in our discussions with the Aluminum Company they said that their own plans were on a more generous scale, but we insisted on a definite minimum guarantee.

Q. And that is covered by your agreement?—A. Yes, that is covered by the agreement.

By Mr. Green:

Q. Within the last couple of weeks there have been dispatches in the Vancouver papers to the effect that the Powell River Company are negotiating an agreement with the Aluminum Company for the establishment of a pulp mill and possibly a paper mill at Kitimat. If that should be installed, what effect would it have on the traffic over this branch line?—A. It would have a considerable effect and would be beneficial, and I would be only too glad to see it happen.

Q. There would be a good proportion of the production shipped out by rail, do you think?—A. Well, that becomes a very difficult matter to answer, sir, because you see it would be at seaboard and, naturally, the pulp company would ship by water wherever it could do so to advantage, but I can say to you definitely that the existence of a pulp mill at Kitimat would be a splendid thing and we would welcome it.

Q. What are the plans for dockage at Kitimat? Apparently you expect quite a lot of ocean-going deep-sea shipping in and out of that harbour. Can you tell us what the plans are for the erection of docks? Are they to be installed by the Aluminum Company or by the railway, or will they be government docks? What is the plan?—A. As far as I know, I know the Aluminum Company have very definite plans for the development of docks, but I could not answer any more than that.

Q. Is there anything in your agreement giving you rights over the docks?—A. There is an understanding, not in the written agreement, but there is an understanding with the Aluminum Company that they will give us access to the docks and to the industries on terms to be mutually satisfactory. We have not the slightest hesitation in feeling that the Aluminum Company will, in this matter, be eminently reasonable because it is to their own interest.

Q. Oh, yes, it is obviously a plan which will benefit both the Aluminum Company and the Canadian National Railways?—A. That is right. I may say this, that the Aluminum Company in this particular development is working it out on a very broad gauge scale and they are not making Kitimat a company town; they are definitely aiming at trying to develop Kitimat as a port and industrial centre.

Q. As I understand it, their plan is to draw in as many other industries as possible to Kitimat?—A. Yes, sir. There are representatives of the Aluminum Company here. I am sort of speaking for them but I have no doubt they would be glad to answer any questions.

Q. It might be well if we could have a word from a representative of the Aluminum Company. Mr. Fairweather, in the case of the branch line which was constructed—not the branch line but the extension which was constructed last year from Sherridon to Lynn lake in Manitoba, you asked and obtained financial assistance from the Department of Defence Production on the ground that the copper and nickel which were to be products of that new mine at Lynn lake were required for defence purposes. Did you give any consideration to making a similar request with regard to this Kitimat branch line? I ask that because aluminum would seem to be also a defence material.—A. Well, I cannot speak of that from the point of view of definite knowledge, sir, but I might say this, because I know the economics back of it, and the conditions were from the point of view of economics considerably different. In this particular case, as I have explained to the committee, there is more than a fair chance that within a period of ten years this particular Kitimat line will be a substantial revenue producer.

Now, in the case of the Lynn lake line, that is not so, and although we exacted guarantees from the mining companies, the maximum guarantees that they could afford to give us and still keep themselves afloat were not enough to make the balance sheet come out on the right side, and consequently from the point of view of economics we had to get additional assistance. In this case here for us to have sought assistance where we had a proposition that on the face of it was remunerative, was a little different.

Q. You believe that this branch line will pay practically from the time it is completed?—A. I stated, sir, that in the first five years we have reasonable expectation that we will not have to call upon the Aluminum Company to meet their guarantee and that actually we will get enough in revenues to pay all expenses incurred, including interest on construction.

Q. Probably you would like to have a good many other branch lines of the same kind?—A. Yes.

Q. Mr. Fairweather, you mentioned about the ships which come into Kitimat carrying the alumina requiring return cargo and that there would probably be quite an extensive shipment of goods from the interior of British Columbia and from the prairies outgoing from Kitimat?—A. Yes.

Q. Have you given any consideration at all to shipment out of the products from the Peace River district?—A. All that would be in the picture, certainly.

Mr. POULIOT: To fill the empty bottoms.

Mr. FULTON: Or fill a few empty heads.

By Mr. Green:

Q. That would require an outlet by rail from—

Mr. POULIOT: Mr. Chairman, I rise on a question of privilege. I heard the member for Kamloops speaking of empty heads after I had asked the question. I want him to withdraw it at once.

Mr. FULTON: Mr. Chairman, I did not hear the member for Temiscouata asking a question.

Mr. POULIOT: I heard him say—I spoke about empty bottoms and in reply, you see, with his genial smile, the hon. member for Kamloops—and I am very serious about it and I am not to be insulted by any juniors and I want him to withdraw at once, sir. I rise on a question of privilege. No one can call another colleague an empty head, so I would like to please ask him to withdraw it.

The CHAIRMAN: I think the member for Kamloops, if he said that, should withdraw it.

Mr. FULTON: Mr. Chairman, the position as I see it is this, that the hon. member for Temiscouata made an interjection which, as I understand the rules of procedure in the committee being the same as those in the House, is strictly speaking out of order because when an hon. member has the floor as the hon. member for Vancouver-Quadra had, I understood no other member should interrupt.

Now, there was an interjection made by the member for Temiscouata and, if you like, the understanding and temper and spirits of all those members of the committee were jovial and the members were in a good frame of mind after the questions which had previously been asked by the hon. member for Temiscouata and I made an interjection too, which was as out of order as the interjection of the hon. member for Temiscouata, but if the hon. member for Temiscouata feels that notwithstanding the fact that his interjection had been out of order and had not been objected to, but that mine which was also out of order should be objected to, well, of course, he is entitled to raise the point and if the hon. member will withdraw his interjection I am quite prepared to withdraw mine.

Mr. POULIOT: Mr. Chairman, my reference to empty bottoms was not with regard to the hon. member. Every member of the committee understood that I was referring to ships and the reference of Mr. Fulton to "empty head" cannot be applied to ships. It could be applied only to a human being. You have been very tolerant in listening to him and it is not for me to judge whether my interjection was out of order or not; it is you, sir, and therefore I am asking you, sir.

Mr. FULTON: Mr. Chairman, I believe there is a part of a ship called the head.

Mr. POULIOT: Mr. Chairman, as the boss of this committee will you please call him to withdraw what he has said in reference to one of his colleagues?

Mr. McIVOR: Mr. Chairman, I am anxious to know what the British Columbia members think of this. I was out there this year and the impression I got was that there was a great need for that railway. I would like to hear what the British Columbia members say.

The CHAIRMAN: After Mr. Pouliot's explanation I think, Mr. Fulton, it would save time by withdrawing.

Mr. FULTON: Mr. Chairman, if the hon. gentleman feels that there was anything offensive directed towards him in the remark, I withdraw it unreservedly.

Mr. POULIOT: I was not offended but it was out of order.

Mr. FULTON: Perhaps, Mr. Chairman, my withdrawal should be modified in the same way.

By Mr. Green:

Q. Mr. Fairweather, when this interruption took place we were considering the possibility of exporting commodities from the Peace River area via Kitimat or Prince Rupert. Incidentally, I presume most of it would go by Prince Rupert because there are far better facilities there for handling freight. Would it be feasible to take those commodities out of the Peace River district with some railway line to the west from the district?—A. Yes, I think so. In fact, I know so. The railway lines in the Peace River area centre on Edmonton and then from there there is a railway running out to Prince Rupert. Actually, the pass, the Yellowhead pass through which that railway runs is the lowest pass through the Rocky mountains. It takes a little longer to get around there but the railways years ago in recognition of the various economic factors involved put the rates from the Peace River country practically on a basis—they made a substantial reduction in the rates and the result is that there is at the present time available from the Peace River country a rail route capable of supporting this export business.

Now, there would come a time when it is possible an extension might be justified on an economic basis. I would say that.

Q. Has your company given any consideration to an extension to the west from the Peace River district?—A. Well, that has been studied, sir, many, many times and you will perhaps recall there was an engineering committee set up away back about twenty years ago which made a very exhaustive report on it and it showed conclusively that at least for a long time in the future you could not get an economic justification for another crossing of the Rocky mountains.

Q. But I take it that this development in the Kitimat area would make it a good deal more of a business proposition than it has been hitherto?—A. Well, I think this, that the Peace River country is a thriving part of Canada. A couple of years ago I spent the whole summer out there and I was greatly impressed by it. I examined into the question, as far as I could, as to whether there was any serious handicap in its further development by reason of lack of facilities. I think we are on top of the situation, sir. We are studying it all the time and are on top of it.

Q. And have you given any consideration in your planning to the possibility of a highway being built from Kitimat to Terrace?—A. Well, I think it is a foregone certainty that there will be a highway from Kitimat to Terrace. I cannot see how any other conclusion could be reached.

Q. And that fact has been taken into consideration in your planning and in your estimates?—A. Oh, quite, sir.

Q. Would the railway be in a position to undertake the trucking on that route?—A. Well, we have taken up with the province of British Columbia the possibility of the Canadian National being given franchises to operate upon that highway.

Q. You have made formal application?—A. We have not made formal application because the road is not yet built, but we have let the province know that we are going to do it.

Q. By the way, you will be running a passenger service as well as a freight service?—A. Oh, yes, sir.

Q. I suppose you have no idea as to whether it would be a daily service?—A. I think we are set up on a daily passenger service except Sunday.

Q. That is, you are running your main line from Jasper to Prince Rupert along the same basis at the present time, are you?—A. Yes.

By Mr. Robinson:

Q. In the development of certain ports on the Great Lakes, the railway companies have obtained in some cases considerable waterfront freehold and also water-lots in the harbours. This has enabled them to supply themselves with adequate terminal facilities and has also enabled them to lease industrial sites to the industries and thereby keep their own hands on the resultant traffic involved. I am not quite clear from your evidence as to what arrangements are being made at Kitimat in that respect for the protection of the railway company.—A. I said simply that we will run our railway down into Kitimat and provide terminal facilities in Kitimat for rail purposes.

Q. May I interject there? Do you have freehold at the present time?—A. No, sir; and I will say incidentally that our ownership of property in Kitimat will be limited to those facilities that are needed for the operation of the railway. We will not own lands in Kitimat for speculative industrial development. It is not the policy of the Canadian National to do that sort of thing.

Q. Well, that used to be the policy of the railway companies?—A. It has not been the policy of the Canadian National Railways for many, many years. It was tried by some of the predecessors of the Canadian National Railways and while you can point to one or two brilliant successes, on the average you find that it was a losing game.

By the time you have paid taxes on idle property for, say, twenty years or so you find the game is not worth the candle. So our policy is to leave in the hands of entrepreneurs the actual development of the industrial potential. We confine ourselves to providing the facilities which will enable that development to take place.

Q. What will be the extent of the land which you will require for your installations at this port?—A. Oh, it will be quite small—a matter of a few acres.

By Mr. Fulton:

Q. Mr. Chairman, may I ask Mr. Fairweather what studies have been made of the possibilities with respect to the effect on the main line or on the other main line from Red Pass to Vancouver of the completion of a further line to a port on the Pacific coast?—A. Well, I think it will add to the importance of the line to Vancouver. It certainly will not detract from it.

Q. Would you mind enlarging on that?—A. Well, I tell you, sir, it comes about this way. Obviously Vancouver, at the present time, being a window on the Pacific or a gateway to the Pacific, has and enjoys a certain volume of traffic which it gets in competition with other locations. Now, broadly speaking, that competition in so far as it involves ports is with ports in the United States. The advantages which will accrue through the development of Kitimat as a port will not detract from the advantages Vancouver has. It will simply add to the general advantage Canada would have—vis-a-vis the United States—in engaging in world commerce.

Now, starting from that as a base and translating it into national wealth, if we stimulate traffic from Kitimat we stimulate national wealth. By inference that wealth would not have been created otherwise—by the definition. Once the national wealth has accrued it flows all over the country like quicksilver and

benefits will be found from one boundary of Canada to the other. Therefore, Vancouver Island and the city of Vancouver will receive benefits from Kitimat in common with the rest of Canada. We took that into account when we were figuring.

Q. And you visualize the two growing side by side and not in competition?
—A. Quite, sir. I want to make clear that my studies indicate this Kitimat development will damage nobody in Canada.

Q. Mr. Fairweather, what is the position then of getting freight to the ocean? When you have enough traffic, as I understand it, you visualize now to run a more frequent service on the line to Prince Rupert. Will it then be the case that as far as reaching tidewater is concerned it will be as economical and as cheap for the railway to haul it to Kitimat from Vancouver—
—A. I would say that coming from a point east of the Rockies there would be very little difference.

Q. What I had in mind there is that I was wondering whether possibly because of some more expensive operation or a more difficult route to maintain, or something of that sort, it might be that freight coming from the east destined to Kitimat would find its way to Vancouver and then be shipped by water up to Kitimat—or do you think it will be the other way around?
—A. I may say this to you, sir. The railway does not route traffic. All we do is offer service and we offer service to induce traffic to flow by whatever path it wants to flow. What we do with regard to this traffic we are talking about—import and export traffic—is that we put Vancouver, Prince Rupert and Kitimat on the same competitive basis as any United States port; so that a shipper located anywhere down in the United States, or anywhere where he has an alternative choice, can ship, so far as rates are concerned, to one as effectively as to the other. It is up to him to make the decision. But you see, the railway is only an intermediate carrier. He has also got to make the boat arrangements. We do not make them for him.

Q. Is Kitimat very many railway miles closer to Edmonton than is Vancouver, or are they about the same?
—A. I do not think there is an awful difference. I think actually Kitimat is further away.

By Mr. Green:

Q. Are you running any boat service into Kitimat—both for passengers and for freight?
—A. No, sir, we are not.

Q. Your boats do not call there at all?
—A. We do not call there at all.

Q. It seems to me that might be losing some good business—not to run boats in there. Why is it the railway has not taken that step?
—A. Well, it has been looked into, sir, and the Canadian National Railway came to the conclusion that the game was not worth the candle.

Mr. ROBINSON: One further question I neglected to ask before. Might it perhaps not be prudent for the railway to obtain more than two acres of freehold land in anticipation of the great development at Kitimat?

The WITNESS: You can take this as a statement of policy. We will reserve enough land in Kitimat to meet our present and future requirements as a railway. We will not own land for speculative industrial developments.

By Mr. Pouliot:

Q. Mr. Fairweather, if you permit me, you were in touch with the government of British Columbia with regard to timber products, etc. Did you get in touch with them in regard to the land required for the railways?
—A. We have had negotiations with the provincial government.

Q. Yes, on account of the big development that is going to take place. Will you have to buy land or will it be given to you by the government of British Columbia?
—A. That is a matter to be decided.

Q. It is not decided yet?—A. Not decided.

Q. Did you talk the matter over with them?—A. It has been discussed.

Q. With the Department of Lands and Forests, probably, but British Columbia has not yet given an answer in spite of the tremendous development that the railway will bring to the province?—A. It is still under negotiation.

Q. You expect an answer soon?—A. We would like to get an answer soon.

Q. Thank you.

By Mr. Applewhaite:

Q. I would like to ask the witness one question if I may. I admit that it is not pertinent to this bill but it arises from a statement which he put on the record. You stated, Mr. Fairweather, that in general terms there were only two possible places for a railway to cross the coastal range. One came out in the greater Vancouver and Westminster area, and the other in the Prince Rupert-Kitimat area. Did you not entirely overlook the plan on which Sir Donald Mann was actively engaged in 1912 which would bring the railway out to the head of the Portland canal?—A. I made my statement as my judgment. I do not think that railway out to the head of the Portland canal is feasible.

Q. From a construction point of view?—A. That railway route has been carefully examined and to the best information I have it is not feasible as a main line railway.

Q. Is that from a construction point of view?—A. From a constructional point of view and an operational point of view. Mind you, that is my judgment and I won't attempt to speak for anyone else, but I have made a careful study of the situation.

By Mr. Green:

Q. You said the railway would have to go — —A. It has actually to go over a glacier.

Q. No, no, but the Kitimat railway has to go over a 700-foot level?—A. This particular railway, yes.

Q. Is that the highest point above sea level this railway will go?—A. This railway, yes.

Mr. RICHARD: Mr. Chairman, is this discussion confined only to the construction of the proposed railway between Terrace and Kitimat, or are there any witnesses here representing the Aluminum Company to whom questions can be addressed of a general nature. I have some questions to ask if there are any representatives of the Aluminum Company here.

Hon. Mr. CHEVRIER: The question under discussion here is the matter of the railway line between Terrace and Kitimat in British Columbia, but there is a representative of the Aluminum Company here who will, I am sure, answer questions you may wish to ask.

Mr. RICHARD: I represent a constituency which is interested in the production of aluminum. I may say in passing that Shawinigan Falls was built on aluminum production as well as other communities in Quebec, and that company has rendered a grand service. However, in the town of La Tuque, which is located in my constituency, there is also a plant of the Aluminum Company which is closed at the present time. I wish to know the reason why that plant has been closed especially at a time when it is so necessary to give employment to the population in that vicinity and there is a serious need for all the production possible. Are any plans on foot for the reopening of this plant? Is this being given any consideration for the future? Is it a question of the Aluminum Company not being able to agree with the town of La Tuque, or is it that conditions have so changed that it is much easier to manufacture aluminum elsewhere? Will this plant be re-opened to give work to the population of La Tuque?

Hon. Mr. CHEVRIER: I do not think that is a question which has to do with the matter under discussion.

The CHAIRMAN: Shall I call the next witness to answer this question for Mr. Richard?

Mr. WHITESIDE: I wanted to ask Mr. Fairweather one question first, and that is as to the weather conditions—whether boats can go in there the year around or whether the port will be closed part of the year as in the case of Prince Rupert?

The WITNESS: Boats can go in there all the year around.

By Mr. Darroch:

Q. I would like to ask Mr. Fairweather a question, Mr. Chairman. Can he tell us whether there will be a highway development in connection with this new town of Kitimat?—A. Undoubtedly there will be highway development in time.

Q. And will that enter the picture from the standpoint of transport competition?—A. Possibly.

The CHAIRMAN: We will now hear Mr. A. W. Whitaker, vice-president of the Aluminum Company of Canada.

Mr. A. W. Whitaker, Jr., Vice-President and General Manager of the Aluminum Company of Canada Limited, called:

Hon. Mr. CHEVRIER: The member who just rose, sir, is concerned about the operation of an aluminum plant at La Tuque, in the province of Québec, where he says the plant is closed down; and he wants to know really whether or not there is any possibility of the plant re-opening. While it is not a question directly relevant to the matter at issue perhaps if you could answer the question it would be helpful.

The WITNESS: Mr. Chairman, Mr. Minister and gentlemen. I am pleased indeed to have this opportunity. If you want my name—A. W. Whitaker, vice-president and general manager of the Aluminum Company of Canada. During this last war when there was a tremendous demand for aluminum we built a plant at La Tuque. At that time there were several additional generators put in by the Shawinigan Water and Power Company with our assistance, one at La Tuque and the other at a power development further up the St. Maurice River. It was not an economical location for an aluminum plant, but we had to build it there because that was the only place where we could get power immediately, and there was not enough aluminum or steel immediately available to build a transmission line from La Tuque to bring power generated there to Shawinigan Falls or Three Rivers. Since the war the demand for power has so increased in the area that there is now no power available for the production of aluminum in La Tuque, nor, in fact, is there any power available for the production of aluminum at Shawinigan Falls, and as a result there is practically no power available to us from those sources after this year. We have been, during the last several years, bringing some power down to Shawinigan Falls from the Saguenay, but after this year all the power that will be used in Shawinigan for the production of aluminum will be brought by transmission line from the Saguenay. To do that, we recently undertook the construction of two additional power developments in the Lake St. John area, one at Chute au Diable and the other at Chute à la Savane. These developments are now under way. The first one we expect will start producing power sometime in July and will be completed probably by late fall, and the other will start producing power, we hope, by December and be completed in

the early part of the spring of 1953. That development of power, together with what we have in the Saguenay will just about take care of our production facilities in the Saguenay, Arvida, Isle Maligne, and the pot lines at Shawinigan Falls.

Even if power were available at a much lower price we could not justify producing aluminum at La Tuque, I am sorry to say, because of the extra haul of the alumina into that area and the extra haul of aluminum out of that area, which makes it economically impossible to re-open that plant. We have explained this matter very thoroughly to the people of La Tuque and we are doing everything we can to help bring industries in there. We have rented parts of the plant to three small concerns, a furniture factory, a knitting mill and a veneer plant. We would like to rent some more of it to other people who can economically justify locating there. Actually the rent we are getting for the use of our plant is not enough to pay the taxes—we make nothing out of it. We hardly make enough to maintain the buildings in proper condition, so it is not an economic development. I trust that answers the honourable member's question.

Hon. Mr. CHEVRIER: You have, very fully. Thank you very much, sir.

The WITNESS: I am sorry I could not speak in French.

The CHAIRMAN: Are there any questions you would like to ask Mr. Whitaker?

By Mr. Green:

Q. Mr. Whitaker, can you tell us something about the possibility of other industries coming into Kitimat?—A. Yes, I think I could enlarge on that. We have already made a contract with Canadian Liquid Air to build a plant at Kitimat, a small plant to produce oxygen and acetylene. We, together with the Powell River Company are studying the possibility of pulp and possibly paper production at Kitimat. The reason we are interested is that we want other industries in there up to a certain degree to help carry the burden of this development, this community, particularly, as well as to use some of the power. There are also other studies going on at the present time. I think there is a New York firm of consultants who are studying the possibility of a caustic-chlorine plant at Kitimat. They have inquired as to what the cost of power there would be. The chlorine plant would use between 18 thousand to 20 thousand horsepower, at least in the initial stage. The chlorine, I believe, is to be used in the pulp industry or other related industries, and there is also the development of caustic for use in the pulp and paper industry. At the moment that is about the picture, but I might elaborate on Mr. Fairweather's statement that the Aluminum Company will naturally be glad to consider and make available, at whatever price is deemed proper at the time, power for other industries. We are anxious to develop the community. That is the history of the aluminum industry and has been for many years. We are essentially pioneers. We go into the hinterland and develop power. The production of aluminum requires very low cost power to justify production and to compete in world markets. That has been the history of our operation over the past fifty or sixty years. Our initial development was at Niagara Falls. Then we went to Shawinigan Falls, and then to the Saguenay, and the history of our development has been the same at all those points. Now we are going into the hinterland of British Columbia. As these areas develop—just take the case of Niagara Falls. There is no aluminum industry in Niagara Falls today because power there became so valuable that other industries who could afford to pay more than the Aluminum Company could pay took it over. The same thing is true of Shawinigan Falls. We were the first to contract for power at Shawinigan Falls. That is back in 1900, 1899 to be exact. Our plant there went into operation in 1901. The old plant went out of operation after the war and we built a new

plant, but today we are coming to the point that not only can we not buy the power we need from the Shawinigan Water and Power Company but they are looking to us to sell them power. The whole area is developing, and the same thing will be true of British Columbia. That is characteristic of the whole of the development we made during the wartime, and it was because of the availability of cheaper power that we moved our major operation to the Saguenay, hoping that additional power would be developed at a cost we could afford.

Hon. Mr. CHEVRIER: What is the position now regarding Massena and Niagara Falls?

The WITNESS: Massena, New York, of course is a plant which was built there many years ago and an additional plant was put there by the United States government during the war, but is now owned by Alcoa. For many years they contracted for power from the Cedar Rapids development of the Montreal Light, Heat & Power, from which point they built a transmission line and transmitted power to Massena. I think it was something of the order of 70,000 horsepower.

Hon. Mr. CHEVRIER: That is what I understand.

The WITNESS: Well, they have a long term contract and it is, I would say, a very good contract today. They also develop their own power. It seems that they have a power plant there and built a new power unit, tapping the St. Lawrence at the Long Sault Rapids and discharging into the Grasse River, developing about 70,000 horsepower, so that altogether today they have something of the order of 140,000 or 150,000 horsepower. That is not enough because of the expanded facilities during the war; so a transmission line was built in from central New York tapping the central grid, and today they are using some of that power at a very high cost which, I believe, is being subsidized. But as and when the Seaway goes through and there is more power developed above Cornwall at the International Rapids, no doubt they will be wanting to get some of that power, and they will probably hope to get it at a price which will make it more economical. But there are facilities to produce aluminum there in excess of the power which is presently available at Massena.

Mr. GREEN: To what extent will your raw materials be imported? I understand that alumina is being brought in from the Caribbean. What about the other raw materials required? Are you going to be able to get any of them from British Columbia or from other parts of Canada? What are the sources?

The WITNESS: I will try to give you the picture. In the production of aluminum the principal raw material is alumina, the oxide of aluminum, and that will be shipped from Jamaica. We are building a plant to produce it in Jamaica now, and rather than ship the bauxite from Jamaica, from which alumina is made, we prefer to ship the alumina which requires about half the tonnage of bauxite.

Hon. Mr. CHEVRIER: How will it get up there?

The WITNESS: By boat, of course.

Hon. Mr. CHEVRIER: Via the Panama Canal?

The WITNESS: Yes, via the Panama Canal. And in an emergency—that matter has been brought up before—suppose we had a war emergency where you could not ship to advantage. We point out that the alumina could be shipped from Jamaica to, let us say, New Orleans, and from there railed through the central United States into Canada; therefore this railway connection would be, of course, extremely important in such a case. As a matter of defence, the railway connection is vital.

Of the other raw materials, the principal one is coke for making the electrodes; that is, petroleum coke; and it has to be a very pure material, a very pure form of carbon; and while from the outset we will probably bring

that in from somewhere on the west coast of the United States, we are hoping to be able to use Alberta coke as the oil fields and refineries develop in Alberta or in British Columbia—we have already made contracts for a certain amount of coke there, and right now we are moving it to Arvida; but as soon as these fields develop, we will undoubtedly be shipping petroleum coke from the Edmonton area through and over this rail connection into Kitimat. Then there are materials such as fluoride and cryolite which will probably be shipped direct from the Saguenay by rail, right through to the smelters at Kitimat. The tonnage is relatively small compared with the tonnage of coke.

We use in addition to petroleum coke, either anthracite coke or bituminous coke with which we line our pots or aluminum cells. The tonnage is, of course, much less than that which is used for electrodes; but the probabilities are that we will develop a source of anthracite coal either in British Columbia area or somewhere near the Edmonton area, or near the Banff area that will be moved in by rail. That essentially covers the raw materials, for the process. As to the shipment of metal, that is the actual production from our smelter, it will be aluminum, in ingot form; and these ingots will be shipped we do not know just where. We think that a good part of it will go to the United States, and of that, much will go to the central part of the United States. Probably most of it will go there. Such shipments would normally be shipped by rail because I think it would be easy to see that if you shipped it by boat from Kitimat, let us say, to Seattle or to Portland, and then you had to re-ship and handle it onto rail, and then ship it across the Rockies into the central part of the United States, it would be more costly than a direct movement right from Kitimat by rail. So we anticipate a substantial part of our production will be shipped by rail. Some of the production may be shipped to the Far East; and that would naturally have to go by water. And as Mr. Fairweather pointed out, the boats which carry alumina into Kitimat will have capacity to carry twice the tonnage of metal that is produced at Kitimat; so there will be definitely an incentive there to ship a certain amount by water, and some metal may be shipped even, let us say, to the United Kingdom, although I doubt if there would be too much going that way because we have our smelters in the east which could probably ship more cheaply to the markets of Europe.

By Mr. Rooney:

Q. Would it not be possible to use Alberta coal, which is good coking coal, and to put up a coking plant for the purpose?—A. As long as petroleum coke is available at a reasonable price, coke from bituminous coal is not pure enough. We have determined by experiment and research that we can purify such coke up to the point, but it is going to be more costly to do that than to buy pure petroleum coke, as long as it is available. But if we are looking to the future, and if the oil industry should produce less coke, or if the price gets too high, then we have got an ace up our sleeve, in realizing that we can make suitable material; but it would be more costly. It is just a question of economics.

Q. Could you not use Pocahontas coal for coking out there? Would it be of a quality you need?—A. It is still too impure; we have to get the iron and silica content of that coke down to the low hundreds of a per cent; most of those coals will probably run several per cent in impurities.

By Mr. Pouliot:

Q. In order to summarize what has been said: there are already four ocean harbours in British Columbia, Vancouver, New Westminster, Victoria, and Prince Rupert. And Kitimat would be a fifth one. Is that right? And you are now going to build your plant for aluminum, and also a power plant. Is that right?—A. That is right.

Q. Mr. Fairweather has spoken about a branch line between Terrace and Kitimat to improve railway facilities; and you have your own arrangements by way of shipping facilities after the railway is built. Is that right?—A. That is right.

Q. Now, Mr. Whitaker, the question of the new railway branch has been discussed; and this question of the highway has been already discussed. Will it be built by your company or by the government of British Columbia?—A. At the present time we are discussing, or have been discussing—I do not think there has been any definite conclusion reached—whereby we will build the highway to government specification from Kitimat to about Lakelse. There is already a highway down from Terrace to Lakelse and the government will contribute about 50 per cent of the cost and we will contribute about 50 per cent.

Q. You will pay one-half of it?—A. We will pay one-half. That is the present basis of our conversation with the government of British Columbia.

Q. And they have not yet given a definite answer?—A. Not to my knowledge.

Q. But they know your case?—A. Oh, yes.

Q. Well, Mr. Whitaker, there is one thing more that has not been spoken of, and it is the wharf facilities at Kitimat. Will you build your own wharves and quays, or will they be built by someone else?—A. We are planning to build our own wharf facilities. They are under construction right now.

Q. Just the same as your plant?—A. That is right, and the wharf facility is only a few hundred yards from the plant. We have already started construction on the facilities by building the rock moles. We have a dredge in there now dredging the area. The wharf where the ships are berthed will be 750 feet long, concrete caisson construction, and back of that wharf we are filling the whole area on which will be located some of our storage buildings supplying the works. Now, the wharf—in the initial stage at least we have planned a transit shed for handling all kinds of materials coming in and going out, shipments to the community, shipments to other industries, freight for shipment over the Canadian National wherever it may be going. At the moment we are not planning to put that transit shed in, but would have other facilities. The wharf, of course, is primarily being built to handle bulk alumina. This bulk alumina will be shipped in bulk and will have to have special and very expensive facilities, something like grain unloading facilities for handling the bulk cargo, and there will also be crane facilities for unloading metal, and the crane for loading metal will be able to discharge other cargo. I might say at the present time we have a temporary wharf in there which is handling coastal steamers, and these coastal steamers are discharging hundreds of tons of cargo, and this temporary wharf will probably be maintained for some time. It will handle coastal vessels when, we will say, the main wharf berths might be occupied.

Q. I have two other questions to ask you. Afterwards I will thank you for your illuminating explanation of your projects. Will you please tell the committee if the Aluminum Company will look after the housing of the men who will be working there?—A. That is a very good question, Mr. Pouliot. We have plans developed. We have spent the past year working with one of the outstanding town planners of North America, together with one of the outstanding town planning groups, and we have now developed a complete plan for the development of Kitimat. In the initial stage we feel that we will probably have to put our own money into the construction of houses and civic facilities and probably schools, hospitals and so forth. We hope, though, as time goes on, that this development will encourage others to come in. On the other hand, we must recognize that whoever does it, the ultimate cost comes primarily on the Aluminum Company. If somebody goes in there and develops

housing and wants to make a killing and charges high rates, the workers will in turn ask for higher wages to pay for that, and that is where we pay. So, in some respects we want to develop the community and we hope it will be one of the finest communities in Canada. If any of you have visited Arvida, you will agree that we have a pretty fine community there. On the other hand, it costs a lot of money but it is our plan to at least start the initial development and probably for this first stage, which is just under 100,000 tons annual capacity of production to put in most of the townsite development.

Q. One last question. Will the production of aluminum in Kitimat affect your production at Arvida?—A. We hope not, but we, of course, cannot read what the future has in store for us. We are optimists on the future of the development of aluminum. We feel that the need for aluminum is expanding tremendously not only for defence but primarily for civilian economy, and we have every hope that not only will this development in Kitimat not interfere with the production facilities in the east, but that the demand will require further expansion in due course, and it is for that reason, gentlemen, that we are planning well beyond the first stage. I think it might be of interest to all of you to know that this power development and practically everything that is being done today, except the installation of the generators and the lining of one penstock is sufficient for the development of at least one million horsepower. The dam itself, of course, is required for the ultimate development. We do not need that dam for the initial stage, but in order to be prepared, in order to look forward to the future we felt it was good business to build the dam now. We are building one 25-foot diameter tunnel through the mountains—two are required for the ultimate development—so that the one tunnel will give us better than half the ultimate development. We are building a transmission line from Kemano to Kitimat, part of which is good for the whole development, the part that goes over the mountain pass, the other is for half the development. So I say with the exception of some generators and the lining of a penstock—a rather relatively small proportion of the total cost—we will have power potentiality there available right from the start equivalent to practically one million horsepower, which is about three times what we are going to need for the initial Kitimat smelter production.

Q. The way I understand it, Mr. Whitaker, is that Arvida is a door open on the east and Kitimat will be a door open on the west. Is that it?—A. That is right.

Q. After having heard you, Mr. Whitaker, I must say that you are quite a miracle man, because you have converted me to your project.

By Mr. Herridge:

Q. Mr. Chairman, I would just like to ask one question of Mr. Whitaker, arising out of a question asked by Mr. Pouliot with regard to water frontage. In your arrangement with the provincial government for water frontage what amount of harbour facilities or water frontage will you control and what amount is left for the development of other industries?—A. Well, as I recall, I personally have not been involved in the dealings with the provincial government but by and large we are going to practically have all of that area granted to us. I must say this; that a great deal of this area is worthless because of the Kitimat river and a very substantial part of it has to be reserved for all time for flooding from that river. But there still remains quite a sizable heavy industrial site and I am sure any industrial people who want to go in there will have no difficulty about making suitable arrangements with us. We will be glad to do all we can to encourage them.

By Mr. Fulton:

Q. Mr. Whitaker, you heard the discussion with regard to the guarantee or agreement between yourself and the railway to provide a minimum amount of tonnage. Do you anticipate being able to fill that amount of tonnage on your own production and also with the things that you will have to bring in, or do you anticipate that it will be necessary to get some other industries in there to increase the traffic so as to fill that great amount of freight?—A. Well, I am glad you asked that question, Mr. Fulton, because if you will pardon me for expressing some views here I would like to say—and Mr. Fairweather will bear me out on this—that we did not like that guarantee. We finally agreed to it and my boss has given me—I won't say what—

The CHAIRMAN: Hell!

The WITNESS: Hell is right for doing it. I will tell you why. We are a private industry. We are going out there and going to spend millions of dollars. Whose dollars? We are going to have to borrow most of them and we are going to have no guarantee. Nobody is guaranteeing us that they are going to buy our metal; we have faith and hope in the future of Canada and the future of aluminum, and we are going out to do it; and yet we are confronted with the Canadian National Railways asking us to guarantee traffic on this line.

By Mr. Fulton:

Q. They are asking you to show charity as well?—A. Yes. So, we finally agreed to it because they said, "That is the only way you are going to get it." And we feel that we really should have it, we felt that it would be helpful in the over-all business to have a rail connection—it is not absolutely vital; we felt it would be good business both for the railroad and ourselves, but we do not like the idea of the guarantee, I must say.

Now, coming to your question. It is hard to say what the future holds. As best we can estimate we believe that there will be enough traffic even in our initial stage to at least break even, as Mr. Fairweather said, pay the cost for the first five years. If our operations increase—and they may well do that; they may even be doubled in that time—then I am very sure there would be no question about it. Also, if other industry comes in, as we hope they will, I would not be a bit surprised if it becomes one of the most profitable moves the Canadian National ever made and that is one reason why we wonder why the Canadian National backed up by the Canadian government should expect us to make a guarantee. Why has not the Canadian government enough faith and hope in the future of British Columbia to take a chance on doing this thing and put it in and say, "We are only too glad to do it"?

By Mr. Macdonald:

Q. Mr. Chairman, I do not think it has been brought out exactly, Mr. Whitaker, when you will commence production?—A. Well, I can give you our schedule on that. We are under construction right now. As I said, the wharf is moving ahead and we hope to get the wharf completed by the end of this year or early next year. The plant site is being cleared—has been cleared. They are now filling up the area and it is a tremendous fill required to bring the level of this plant site well up above any possible future flooding area and we will start actual construction of the plant itself within the next few weeks or a month or two. The plans are out there in the hands of the contractor right now. The contractor has been on the ground for over a year clearing the area, building camps and so forth and we expect to have power from our power development not later than April 1, 1954, at which time we expect to have the smelter ready to start production of aluminum. April 1, 1954, is the target date for the first line—second line about June or July, 1954;

in other words, we expect to be producing aluminum at least six months, I take it, before the Canadian National get their line in. I was hoping they would get it in before that because I am sure it would be very helpful to us if we had it there so we could ship a lot of heavy transformers and a lot of heavy materials that have to be shipped in from the east for this job. There is a tremendous amount of material that has to go into that place as well as the construction of it.

By Mr. Fulton:

Q. One final question. Your company operates a fleet of its own boats, do they not?—A. That is right.

Q. Do you carry merely your own raw materials or do you always look also for cargoes to come back with when you deliver those materials? Do you operate them as a straight freight line or is it merely for your own purposes?—A. We have a 100 per cent wholly-owned subsidiary, Saguenay Terminals Limited. They have a fleet, I think, of some ten or twelve vessels of 10,000-ton capacity. They charter anywhere up to fifty or more in a season. While the primary purpose is to handle bauxite from the Caribbean to Arvida, they do engage in a great deal of general freight traffic. Their boats go to Montreal, Quebec, Halifax, and they pick up traffic all over the world. So that they do carry particularly—we bring in bauxite and they try to get all the traffic they can, going from Canada to the Caribbean or South America.

Q. Is that operated on a strictly commercial and competitive basis or is it your practice to have some requirements? After all, you are developing a great new port here. Do you insist in any way that your boats should have preference with respect to picking up cargoes or are they strictly competitive?—A. Strictly competitive, I would say.

Q. You have no regulations or restrictions?—A. Not that I know of.

By Mr. Green:

Q. Will your docks accommodate the largest freighters?—A. Oh, yes.

Q. One thing interested me. Why are you putting your power plant inside the mountain?—A. Well, there are at least two or three good reasons for it. One reason would be that the terrain there—they have very steep mountains, and these mountains are subject to snowslides, rockslides and to build a power plant outside the mountain—the valley is very, very narrow at that particular point there is only a matter of 300 or 400 yards—maybe a little more than that, between the mountain and on that side the Kemano river and on this side the Kemano river, and if you put your power plant outside you are liable to have it destroyed by snowslides or rockslides and it would be subject to the flooding of the Kemano river as well. That is one reason.

Another reason was the matter of discussion, shall we say, that with the power-house located well back into the mountains it is immune from any possible attack and that we have emphasized on a number of occasions. Occasionally we have studied both, and the cost of putting it in the mountain is practically the same as outside—maybe, if anything, a little cheaper. It would be impossible—I would not say impossible, but it would be impractical to bring pen-stocks down, the outside of the mountain, as you see in certain developments. We feel because of the heavy snows and the possibility of slides that that would be a costly and dangerous thing to do. We bring the pen-stocks down inside the mountains.

Now, once you bring them down inside the mountain it seems logical to put the power station inside the mountain. That has been done on a smaller scale in Italy and Switzerland and it seems like a very practical thing to do, and our consulting engineers were very much in favour of it.

Q. How long is your tunnel?—A. The main tunnel from Tahtsa lake is just along here through the mountain and is about ten miles, and that tunnel is on a hydraulic gradient which means there is practically no fall to it except the natural fall, so there will be no pressure created except that in the tunnel. Then it drops on a steep angle for twenty-six feet into the power-house so that we have a 2,650-foot elevation between the source of water supply and the tail-race, the tail-race elevation being about 200 feet above the Gardner canal where the Kemano river discharges.

For that reason, because of the height the amount of water required to develop 1,600,000 horsepower is relatively small—only some 5,000 or 6,000 second feet, so if there are any members here who have concern about what this development will do to some other rivers, we are not going to be taking very much water out of the whole system once it is established. It is only a matter of 5,000 or 6,000 second feet for the full development.

By Mr. Nixon:

Q. I wonder, Mr. Whitaker, whether you could tell us the approximate number of employees you will require?—A. Yes, for the initial stage of 91,500 net tons of production which is what we are planning to put in right now, we estimate approximately 1,100 employees in the works and the wharf area, and the whole operation there—1,100 employees.

The ultimate development which we visualize as 500,000 or 550,000 net tons would require some 5,000 to 6,000 employees and if you figure out the average—once the thing gets established the average number of people to employees or families, it is estimated that the initial stage would have a population of some 6,000 to 8,000 including the employees of the services that are required but not including any other industries.

Mr. CARTER: I wonder if I might ask one question. When Mr. Whitaker was answering Mr. Green's question about the source of raw materials, I did not quite hear where the fluorspar was coming from. I wonder if you would make that clear?

The WITNESS: At the present time the fluorspar comes from our mines in Newfoundland. We take that fluorspar to Arvida where it is converted and purified.

Are you from Newfoundland?

Mr. CARTER: That is right. I was just wondering whether your development would affect the development of the fluorspar mines in Newfoundland which happen to be in my own riding?

The WITNESS: Well, it won't affect them adversely anyway. Probably for the time being and for some time it will likely increase production of fluorspar at St. Lawrence. Of course, as time goes on, if we were fortunate to find some fluorspar out in British Columbia, convenient like, we might in time want to utilize it—but that would involve quite a process of development.

We do not use fluorspar or only small amounts of it directly, as fluorspar has to be converted to aluminum fluoride by an expensive and technical process.

The CHAIRMAN: Gentlemen, it is now one o'clock.

Mr. MACDONALD: Mr. Chairman, a number of members here are quite busy with other committees and may I suggest that you do not see the clock and that we get down to discussing the bill. Probably a few more minutes and we can consider and adopt the bill.

The CHAIRMAN: Is that agreed?

Agreed.

Clause 1.

Shall clause 1 carry?

Carried.

Clause 2?

Carried.

Clause 3?

Carried.

Clause 4?

4. Subject to the provisions of this Act and the approval of the Governor in Council, the Company may, in respect of the cost of the construction and completion of the railway line, or to provide amounts required for the repayment of loans made under section five, issue notes, obligations, bonds, debentures or other securities (in this Act called "securities"), not exceeding in the aggregate, exclusive of any securities issued to secure loans made under section five, the sum of ten million dollars, bearing such rates of interest and subject to such other terms and conditions as the Governor in Council may approve.

Mr. GREEN: Mr. Chairman, on clause 4 is this not different phraseology to that in the similar section of the Lynn Lake bill. Could one of the C.N.R. officials explain why there is that difference?

Mr. ROSEVEAR: The wording is different in this respect. In section 4, the fourth line these words are inserted: "...to provide amounts required for the repayment of loans made under section five,...". That is a bit different from the Lynn Lake bill. This amendment is instead of subsection 2 of section 5 of the Lynn Lake bill and it is not the language of the Financial Guarantee Act, particularly Act No. 2 which was passed at the last session of parliament.

The Department of Justice and the C.N.R. legal officers feel that the change in the wording makes it much clearer. In other words, the Governor in Council may provide for the cost of construction and completion of the railway, or he may provide amounts required for the replacement of loans made under section 5. We felt that we were putting it so much clearer than it was in the Lynn Lake bill. Now, the other amendment I think is found on page 2 of the bill. The words which I mentioned before are inserted, "exclusive of any securities issued to secure for loans made under section 5"; I explained the meaning of that; that is, we do not wish to have included in the issue of securities under section 4 any securities which we issued to the government because the purpose of borrowing from the public is to repay the government the temporary loan we obtained from them; so, when we say we have authority to issue securities to the extent of \$10 million, we exclude from that the securities we issue to the government. You will find, Mr. Chairman, that that is the precise language used in the Financing and Guarantee Acts, number 1 and number 2 for 1951. Have I made that clear?

Mr. GREEN: There seemed to be a similar situation in the Lynn Lake line.

Mr. ROSEVEAR: Yes. May I just say this, that we feel that the Lynn Lake bill was satisfactory; that is to say, that it could be construed in the same way; but you know how sometimes lawyers like to streamline things; and it was thought that this was a much clearer way to phrase it than what we had in the Lynn Lake bill.

Mr. GREEN: If you refer to the subsection, I think it was subsection 2 of section 5, of the Lynn Lake bill; "Definitive securities may be issued, not exceeding \$10 million dollars, and guaranteed under the provisions of this Act to repay loans made under subsection one, or any part thereof." Now, why is that not done in the Kitimat bill?

Mr. ROSEVEAR: Now, that subsection is provided for in the first part of this clause where we say, "to provide amounts required for the repayment of loans made under section 5"; that is in place of that. Now, in the case of

the Lynn lake line, in subsection 2 of section 5, we inserted the same thing into subsection 4 in the fourth line "or to provide for payment in whole or in part" et cetera; in other words, we eliminated a subsection from it.

Mr. GREEN: I cannot understand lawyers shortening the bill.

The CHAIRMAN: Shall the clause carry?

Carried.

Clause 5?

Carried.

Clause 6?

Carried.

Clause 7?

Carried.

Clause 8?

Carried.

Clause 9:

9. The Company is not required to fence the right of way of the railway line and is not liable in damages by reason only of the absence of fencing.

Mr. GREEN: Mr. Chairman, on clause 9, this is a provision which says that the company is not required to fence the right of way of the railway line and it is not liable in damages by reason only of the absence of fencing. In the Lynn lake line bill you will see a similar section was included and until amended also included station grounds; and the argument was made then in support of a section of this kind that there would be no cows grazing along the Lynn lake line and therefore it was not necessary for the railway to protect the right of way. We have just had evidence this morning that there is quite a big farming territory around Terrace, a very good farming area and there is also a large summer resort country on the way down through Kitimat. Why is it necessary for the C.N.R. to include a provision of this kind in this bill in what is going to be more or less settled country; certainly, there is no question that it is going to be built, at least in part, through settled territory.

Mr. ROSEVEAR: Well, Mr. Chairman, the cost of fencing is very high and the company thought that this being a sparsely populated area that we should not have the obligation to fence. If that provision is not there we have the obligation to fence; on the other hand, if you consider that it should be there I do not think that we would see any objection to it. I do not wish to be unfair about it; but nevertheless we would like to be relieved of an obligation to fence a line going through a sparsely populated area.

Mr. GREEN: Would you not in fact use your own judgment, and where there was a settlement you would find it wise to fence anyway; certainly it is only fair to the people who live adjacent to the railway that the line should be fenced. I think in this case that the section should be deleted, Mr. Chairman, and I so move.

Hon. Mr. CHEVRIER: In view of the attitude of the witness I think perhaps we should leave the section in, Mr. Green, because we did so in the former bill, and from the understanding I have it was in a far more isolated territory than this will be; and the witness indicated, I think, that while there was agricultural land, yet at the moment it was only agricultural land which was available for development.

Mr. GREEN: No. There are farms at Terrace.

Hon. Mr. CHEVRIER: I do not think we should remove this section. It was given careful consideration by those who drafted the bill and it is in the other bills, and I would rather see it in there.

Mr. FULTON: There are other railway lines in British Columbia which go through areas far less likely to be settled than this area, and yet the railway has the obligation to fence. Moreover, the witness said that the railway company did not have any rigid or rooted objection to being required to fence. I would hope, therefore, that the minister would reconsider the matter because I think it would be fairer to all concerned if they fenced.

Hon. Mr. CHEVRIER: This question was raised in the same manner in which it is being raised now on the other bill, and we took the decision at that time that when the occasion arose for the necessity of fencing, then the railway would consider doing so; but until the population was such that fencing was necessary, it would not be included in the bill, and, moreover, the witness said that it is going to be a matter of substantial cost to the railway. I hope that the British Columbia members will not insist on it, because, after all, it is a small matter and it certainly does not go to the meat of this bill.

The CHAIRMAN: Shall the schedule carry?

Carried.

Shall the preamble carry?

Carried.

Shall the title carry?

Carried.

Shall the bill carry?

Carried.

Shall I report the bill?

Carried.

Now I wish on behalf of the committee to thank Mr. Fairweather and Mr. Whitaker for the splendid presentation they have given us today. The meeting is adjourned.

The committee adjourned.

EVIDENCE

MAY 15, 1952,

11:00 a.m.

The CHAIRMAN: Order, gentlemen. We are going to discuss bill 193, An Act respecting The New Westminster Harbour Commissioners. We have Mr. K. K. Reid, who is chairman of the New Westminster Harbour Commission, with us this morning. Are there any questions you would like to ask him?

Mr. K. K. Reid, Chairman, New Westminster Harbour Commission, called:

Mr. GREEN: Possibly it would be helpful, Mr. Chairman, if Mr. Reid would make a statement.

Hon. Mr. CHEVRIER: The gentleman is available.

The WITNESS: Mr. Chairman, first I wish to thank you very much for the opportunity to be heard and for calling this meeting to discuss the bill so we can get away back home as soon as possible.

Now, Mr. Chairman, this bill is divided into two parts. The first part deals with the extension of the harbour east from the present New Westminster harbour boundary. We have prepared a map. If you would like to follow it, it might be easier to explain.

Now, Mr. Chairman, this extension as you will notice on the map is from the east end of Douglas Island, that is at the mouth of the Pitt River. It is in heavy black type together with our present harbour limits. It is at the junction of the Pitt river and the Fraser and there is a line across there, that is our present limit. Now, the extension asked for is the Pitt river east for a distance of 15.8 miles to Pitt lake; and then on the Fraser a distance of 8.7 miles to Kanaka creek. The reason for this extension is for two purposes: the main thing, is that whatever happens in the portion of the harbour affects our own harbour, the main harbour in New Westminster. It is used at the present time for log booming, fairly well taken up with the booming of logs. A great portion of it is under lease, and a portion of it is not under lease, but is used and is not under control as it should be. Then, in the winter, when the ice up the river comes down on the slack tide in the cool part of the day or night it will freeze and then it jams up our harbour and we have difficulty in keeping it open. We have a great many calls and requests from the up river portion for assistance to keep the river open. We think that we can handle it better by having it controlled.

The other reason is that when the Six Harbour agreement came into effect in 1924 by an arrangement between the provincial and the dominion government, this portion that we are asking to take in was reserved from the railway belt at that time to be later included in the New Westminster harbour.

Mr. GREEN: Did that apply to the Pitt river or the Fraser?

The WITNESS: To both of them. They were both in the railway belt, both on portions of the railway belt reserved for inclusion in the harbour later; and then, above that, the river is controlled by the provincial government. This portion that the federal government has control of at the present time is handled by the Department of Transport; previously it was Mines and Resources and later on Resources and Development, and turned over to us for operation.

Mr. GREEN: That is both rivers, is it?

The WITNESS: Both of them. They were both in the railway belt, a portion of both rivers, yes. By virtue of its being under dominion control it came under these departments. I think that is the explanation as far as that part of the bill is concerned. If there are any questions I shall be glad to answer to them.

The other portion of the bill deals with a loan of \$1,250,000 to build additional docks in New Westminster. We only have one dock there that handles general cargo, and that is privately owned. Our business is increasing considerably. For instance, during the war, of course, it got very low; but following the war, in 1945 we had 176 ships enter the port during the year; last year we had 394; this year, up to date, that is up to the day before yesterday, we had 159 ships; 138 for the 4 months; and for the first 13 days of this month 21 ships came into the harbour; so that our business is increasing, and with the development of the main land it is coming along quite fast.

We have had various requests from shipping agents asking for additional space so they can send their ships in. As you know, we are a fresh water port and they like to come in. I have a letter here on file where one of our operators in the city, since the first of the year said that he had turned away 7 ships because we did not have berths to accommodate them. That is the reason for the request for additional dockage. We believe that with the things that are in the offing and the inquiries we have that there will be a great deal more business and new berthage will be required. We feel that the only way we can meet that will be by having additional berths. This loan will provide 1,500 feet, suitable for berthing three ships; and this is on the north side of the river within the city limits where the water is deep. The piles will be in 50 foot water, will not require any dredging; and the location is just below the bridge.

By Mr. Riley:

Q. Is that one pier likely to take care of your requirements?—A. For the time being the three berths will handle it. We are looking to the future in an endeavour to meet their requirements. Nobody knows what will happen, but it is a beginning anyhow to take care of the situation.

The CHAIRMAN: Are there any questions with regard to that?

By Mr. Green:

Q. About the boundary, Mr. Reid; your harbour boundary now is at the mouth of the Pitt river?—A. At the mouth of the river. The line is across right at the mouth there, across the Pitt and across the Fraser.

Q. And you are asking to extend it up to— —A. Kanaka creek on the main river.

Q. Kanaka creek on the Fraser and up the Pitt river to Pitt lake?—A. That is right.

Q. And the Fraser is navigable up to Kanaka creek?—A. Not for deep sea ships. With very little work it could be made navigable.

Q. You said that it came under the jurisdiction of the provincial government above Kanaka creek. The Fraser at one time was navigable right up to Yale. I would think that it would come under the jurisdiction of the Canadian government for quite a long way past Kanaka creek?—A. I am speaking of the foreshore. It is under the dominion government for the control of navigation.

By Mr. Murray:

Q. Would the Fraser not be navigable up to Lytton? I understand it was at one time.—A. Not for deep sea ships.

Q. But steam boats, river boats, did go up as far as Lytton?—A. Yes.

Q. It is a tremendously valuable river?—A. Yes.

Hon. Mr. CHEVRIER: What is the depth of the Pitt river up to Pitt lake?

The WITNESS: Probably 10 feet of water there.

Mr. GREEN: That is navigable all the way?

The WITNESS: Yes, it is navigable for small craft.

By Mr. Green:

Q. What will be the effect of your taking control of the Pitt river, for example in so far as the people using the Pitt river are concerned. I imagine it will be used for booming and there will be other traffic?—A. Yes, and there is a lot of fishing. We could not interfere with navigation, just the water lots on the foreshore, that is all we are interested in.

Q. Would you be able to charge fees?—A. We do not charge fees; we only charge foreshore rentals, yes. They are charged at the present time.

Q. Who collects them at the present time?—A. The Department of Transport.

Q. Then the revenue from these foreshore leases, whatever they are, will be switched from the Department of Transport to New Westminster Harbour Commissions?—A. Yes.

Q. Have you any improvements in mind for the Pitt river?—A. They are only taking care of leases and supervising the storage of logs and the use of the foreshore that is leased.

Q. Are you intending to install any improvements in the way of storage booming grounds, or things of that type? It seem to me if you take over the jurisdiction of the river there you would collect the fees and you would then be responsible for seeing that there are proper booming grounds and piling and that sort of thing?—A. That is the intent, yes. There is a certain amount of piling there now. That has been driven as the tenant wanted it; but he has to have supervision so that he keeps within bounds with respect to the lease.

Q. Who has been doing that piling in the past?—A. The lessee.

Q. The lessee put them there himself?—A. And they are supposed, under the Navigable Water Protection Act, to get permission to drive any piles.

Q. Do the people who are using that river now know that the New Westminster Harbour Commission have taken it over?—A. They know that we have been administering it for a short time now, following a request to us from the Department of Transport. We were asked to administer it for them for the last few months; and we have had discussions with a great many of them and they are quite agreeable to it because they feel that they have closer touch with us to assist them in their difficulties.

Q. You have had no objections from anybody concerned?—A. None whatever.

Q. What about the municipalities? I see that there are several municipalities affected; for instance, the city of Port Coquitlam, the municipality of Pitt Meadows and the municipality of Maple Ridge. Have they raised any question about it?—A. They have raised no objection. You take the situation of Port Coquitlam, a portion of that is in the harbour at the present time as it comes down below the mouth of the Pitt river, so the municipality of Port Coquitlam is included.

Q. Mr. Reid, you said something about ice and I noticed that the eastern members of the committee pricked up their ears when you mentioned that. I am afraid you are going to give our west coast harbours a black eye if you do not explain your remark.—A. As I explained, this ice that we have there for short spells is ice that forms up the river.

Q. How far up?—A. Do you mean how far down? I suppose that is what you mean.

Q. Yes, how far down?—A. Because that is where it affects us. The ice is made up the river, and we have had it right down to the mouth of the Pitt river—both the Pitt and the Fraser—and once or twice we have had it in our harbour.

Q. But that is very seldom?—A. Very seldom.

Q. There is not a very serious situation; I mean, the ice, the ice problem is a very minor problem, is it not?—A. It is not, as far as our harbour is concerned, because where it freezes above and comes down and breaks up when the tide goes down, when the tide is slack on the turn, it will freeze solid and then we have solid ice and that is our greatest problem.

Hon. Mr. CHEVRIER: Does it ever freeze to impede navigation?

The WITNESS: Above our present limits, yes. Two years ago we had mills which had to be closed down up around Hammond.

Hon. Mr. CHEVRIER: Does the whole surface freeze?

The WITNESS: The whole surface, yes.

Mr. GREEN: For how long?

The WITNESS: A couple of weeks.

Mr. MURRAY: But the further you get into the mountains the less tendency there is for ice to form? New Westminster is an ice free port.

The WITNESS: Oh, yes, it is open the year round.

Hon. Mr. CHEVRIER: Mr. Green wanted to make sure that the situation there is in no way comparable to the St. Lawrence. If you want to get that across, I concede it immediately.

The CHAIRMAN: I think the climate is changing. I think the maritime provinces are having finer weather now and I think it has been colder in the west.

Any further questions?

By Mr. Green:

Q. What loans are there outstanding at the present time?—A. We have two loans from the government—on the elevator building which is located in Surrey, across the river from New Westminster, in the inner harbour, which was built in 1929. The loans are \$700,000, which was a bond issue; and since then, refinanced by the government also, advances by the government of \$274,000, making \$974,000 in all.

Q. That is all owing to the government?—A. That is owing to the government?

Q. What rate of interest is charged?—A. The \$700,000 is at $3\frac{1}{4}$ per cent and the \$274,000 is $2\frac{3}{4}$ per cent.

Q. Have your payments been kept up?—A. Payments have been kept up, up to date. They are always kept up, except that during the war when shipping was slack; but since then we have paid up all arrears, so that our interest at present is paid up to date.

Q. What is the arrangements with the city about this area where you are to build docks?—A. On building the docks? That area was quit claimed to the city a good many years ago at the time when the city raised by bond debenture \$500,000 to construct the docks in front of the city property. They approached the government at that time and got a quit claim—got a Crown grant for the fore shore rights.

Q. Was that before the establishment of the New Westminster Harbour Commission?—A. That was at the time of the establishment of it. Then, following that, they built certain docks and wharves and it is where they left off that we are beginning now for these three berths. It is above what is known as

dock 3B, which is the upper berth. We are going to extend from where they finished—on up with our three berths—where there is rail connection; and so it will be necessary for the city to turn that property back to the Crown before we can build our docks on it.

Q. In other words, the city is going to transfer those water lots on which the dock will be built back to the dominion. Is that right? Or will they be transferred to the New Westminster Harbour Commission?—A. To the Crown—because the Crown are lending the harbours board the money and we operate directly under the Department of Transport. So, in order to have security, the property should be in the name of the Crown.

Q. Is the plan then that the water lots will be transferred to the Crown to be held by way of security for this loan?—A. I take it.

Hon. Mr. CHEVRIER: As I understand it, the schedule at the back of the bill contains those water lots.

Mr. GREEN: But there is nothing in the bill, Mr. Minister, to indicate those water lots are being transferred by the city of New Westminster to the Crown?

Hon. Mr. CHEVRIER: There is no necessity for that being in there. This bill is simply for the purpose of authorizing the loan, and the Department of Finance is taking guarantee on the lands referred to in the schedules.

If you will look at clause 2 of the bill you will see that: "...may make loans ...out of the consolidated revenue fund of amounts not exceeding...one million two hundred and fifty thousand dollars as may be required ...for..." the following purposes: "...construction...on any or all of the lands more particularly described in the schedule to this Act."

And the schedule to this Act contains the water lots on which the dockage facilities are going to be built.

Mr. GREEN: That merely says land as may be required for the purpose of building docks, but it does not indicate that the lots are to be taken by the Crown as security for the loan—which apparently is the case.

Hon. Mr. CHEVRIER: Well, it is dealt with in the same manner as the lots now owned by the Department of Transport in the Pitt river that are being assigned from the Crown to the harbour commission.

I think the same thing will appertain with reference to the water lots. The Crown will take security, whether it will be by way of mortgage or debenture, I do not know, but the Department of Finance is proceeding on that basis.

Mr. GREEN: Then, Mr. Reid, there is to be a city by-law in connection with this bill. Can you explain what that will be—or should Alderman Gifford do that?

The WITNESS: Well, Alderman Gifford is chairman of the harbour committee of the city council and it might be well for him to explain that.

Mr. J. S. GIFFORD (Chairman, Harbour Committee, New Westminster city council): In order to turn this property over to the Crown it will be necessary to submit a by-law to the people. I might say that I represent a unanimous council here and we do not anticipate any trouble with the by-law. Our citizens are very progressive minded.

Mr. GREEN: The by-law will approve of the transfer of these water lots from the city of New Westminster to the Crown?

Mr. GIFFORD: That is correct.

By Mr. Green:

Q. And then, when this loan is paid off, will the lots be transferred back to the city or will they go to the harbour commission?—A. That is a matter that has not been worked out, but I would take it when the loan is paid off—

that would be a matter of arrangement between the city and the harbour board as to what disposition should be made of them. They work very close together in this and the city and the harbour board co-operate in every way.

Q. Oh, yes, and you have an appointee of the council on the harbour commission?—A. Yes. Our commission is made of three appointees, two by the federal government and one by the city of New Westminster, so the council has direct representation on it.

Q. Mr. Reid, have you any further plans in mind for expansion of the port?—A. Well, we have property just below the city in what is known as Robson island, but I do not think it shows on that map. It is owned by the harbour board but this development where we are making it now is more suitable for immediate development than the other property—and it will be for future development.

Q. You have trackage both for the Canadian National and the Canadian Pacific, and also, I suppose, the Great Northern?—A. Yes, the Great Northern and the B.C. Electric. It is very suitable for all of them. We have had it checked.

By Mr. Murray:

Q. Might I ask the witness if any provision is made in this plan for a terminal for the Canadian National Railways at a point near the harbour? At present I understand the Canadian National enters Vancouver over rented rails, rented from the Great Northern Railway. There is great congestion at their terminal in the heart of Vancouver, and I would ask the witness if it would not be feasible to lay out a proper modern passenger terminal beside the Fraser river, some place near Sea island airport, convenient to Vancouver, New Westminster and Burnaby, and the other centres of population?—A. In answer to Mr. Murray, as far as these docks are concerned they would not be suitable. These are more freight docks for handling freight. They are not suitable as a passenger centre. You mention Sea island, and of course Sea island is not in our harbour. It is in the Fraser—in the mouth of the north arm.

Q. But it is convenient to the metropolitan areas and New Westminster?—A. Oh, yes.

Q. It occurs to me that it is high time that a modern terminal should be established there for that great city which must, considering all the suburbs, have half a million people around that area we are discussing this morning. The Canadian National should be represented in any plan which is being worked out there?—A. Well, we are always willing to assist in any way we can. If the Canadian National were interested in coming into the city and making a terminus there we would certainly do anything we could to find a place for it.

Mr. GREEN: You are not trying to take them away from Vancouver?

The WITNESS: I could hardly say that.

Mr. MURRAY: The plan would be to serve the great city of Vancouver, New Westminster, convenient upon the lower lands facing upon the north Fraser proper or the Fraser harbour proper.

The CHAIRMAN: Are there any more questions?

By Mr. Riley:

Q. I would like to ask Mr. Reid a couple of questions. How many piers do you say you presently have?—A. We have twelve docks.

Q. How many ships can they accommodate at one time—normally?—A. Twelve.

Q. Twelve ships—one to a pier?—A. When you say “pier” one dock has provision for four ships and one has provision for two. If you mean piers, when I said twelve, I meant accommodation for twelve ships.

Mr. GREEN: Berths for twelve ships?

The WITNESS: That is right.

By Mr. Riley:

Q. What was the number of ships you had there last year?—A. 394.

Q. During the year there was evidence of the traffic volume being greater than the facilities could take care of?—A. That is correct.

Q. Were there many days when you had ships lying in mid-stream waiting for berths?—A. The odd time.

Q. Can you tell us how many occurrences you had like that?—A. I could not say that. Every once in a while a ship would have to anchor and wait for a berth.

Q. How many ships would you have lying off at one time?—A. One or two.

Q. What would be the gross tonnage going through Westminster last year—roughly?

Hon. Mr. CHEVRIER: I have it here. The number of arrivals, 394; total tonnage, 936,320.

Mr. RILEY: Incoming and outgoing?

Hon. Mr. CHEVRIER: This is in and out, yes.

Mr. RILEY: What is the estimated value?

Hon. Mr. CHEVRIER: Pardon me, those are deep sea vessels only. For coast vessels there were 1,924 arrivals with a total tonnage of 2,120,000 tons—in and out.

Mr. GREEN: A very substantial port. They do a big business.

Hon. Mr. CHEVRIER: Oh, yes, it compares favourably with many other ports in Canada—without mentioning them.

Mr. MOTT: For instance St. John, eh?

Mr. RILEY: I was not going to introduce that, Mr. Reid. In our part of the country we envy you, the facilities you have there already. We are not able to accommodate our traffic.

I was going to ask the estimated value of all of your holdings there in New Westminster?

The WITNESS: I would say in the neighbourhood of \$2,000,000.00.

Hon. Mr. CHEVRIER: That just pays for one elevator down at St. John.

Mr. RILEY: That is right.

Have you taken any extraordinary measures or has the city taken any extraordinary measures in co-ordination with the harbour board or the harbour commissions for protection of the property against fire?

The WITNESS: You mean city fire?

Hon. Mr. CHEVRIER: No, fire to your own property?

The WITNESS: Oh, yes. They have a fire boat on the river and then we have our own city fire department. It is a very efficient department.

By Mr. Riley:

Q. Does the city have a fire boat?—A. Yes.

Q. Do you pay part of the upkeep of that fire boat?—A. Not yet. The city takes care of that—that is how they co-operate with us.

Hon. Mr. CHEVRIER: That was a good answer.

The CHAIRMAN: If there are no further questions shall clause 1 of the bill carry?

Carried.

Clause 2?

Carried.

Clause 3?

Carried.

Clause 4?

Carried.

Clause 5?

Carried.

Does the schedule carry?

Carried.

Shall the preamble carry?

Carried.

Shall the title carry?

Carried.

Shall the bill carry?

Carried.

By Mr. Green:

Q. There is one question I would like to ask Mr. Reid. You mentioned \$2 million as the value of the harbour facilities. Does that include the Pacific Coast terminal?—A. No, that is privately owned.

Q. How much is that worth?—A. I have not seen their statement lately and to hazard a guess I would say it is probably a \$2 million or \$2½ million investment.

Mr. RILEY: There are a lot of privately owned structures?

The WITNESS: All privately owned but the docks—just those are ours.

Mr. RILEY: That is why the city provides the fire boat.

The CHAIRMAN: Order, order.

Shall I report the bill?

Carried.

The committee adjourned.

